

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 10
BERNE, INDIANA

January 1, 2004 to December 31, 2004



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Schedule of Collections and Distributions.....	4
Notes to Schedule of Collections and Distributions	5
Statistical Information.....	6
Examination Results and Comments:	
Year End Inventory	7
Accountable Items	7
Exit Conference	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman, Bureau of Motor Vehicles Commission	Gerald Coleman Mary DePrez Joel Silverman	01-06-02 to 02-29-04 03-01-04 to 01-09-05 01-10-05 to 01-11-09
Branch Manager	Connie Smuts Tammy Sanders-Miller	01-01-04 to 09-15-05 10-01-05 to 12-31-05



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BUREAU OF MOTOR VEHICLES COMMISSION

We have examined the Schedule of Collections and Distributions of the State Bureau of Motor Vehicles Commission License Branch Number 10 (Branch) for the period of January 1, 2004 to December 31, 2004. The Branch's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Collections and Distributions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Branch for the year ended December 31, 2004, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

December 14, 2005

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 10
BERNE, INDIANA
SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS
January 1, 2004 to December 31, 2004

	<u>Amount</u>
Collections:	
Registrations	\$ 979,187
Titles	247,042
Drivers licenses	43,639
Watercraft	27,731
Miscellaneous	<u>400</u>
Total	<u>\$ 1,297,999</u>
Distributions:	
State fees	\$ 596,264
County tax	572,112
Commission fees	<u>129,623</u>
Total	<u>\$ 1,297,999</u>

The accompanying notes are an integral part of the schedule.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 10
BERNE, INDIANA
NOTES TO SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS

Note 1. Introduction

The Motor Vehicles Commission was created to manage the motor vehicle license branches. The Bureau of Motor Vehicles is a separate state agency which provides support services to the Commission controlled license branches. The license branches collect fees which fund the Motor Vehicles Commission. The license branches collect and forward county taxes (excise tax, wheel tax, and surtax) and state fees. The Commission has one contractual branch that is administered by an individual contractor according to Bureau policies. The Commission has developed a mobile license branch to serve the need of CDL license issuance and other special needs as they arise.

Note 2. Collections and Distributions

Each branch collects fees and taxes when vehicle and watercraft registrations, titles, and drivers licenses are sold. Fees are uniform throughout the state.

The total daily collections are deposited to a single bank account. From this account the collections are distributed to separate bank accounts which are not controlled by the license branch and belong to the state, county and Bureau of Motor Vehicles Commission.

Note 3. Banking System

The Bureau of Motor Vehicles Commission has entered into an agreement with Bank One for a cash concentration system. The system utilizes a series of individual noninterest bearing accounts (clearing accounts) from which all fees and taxes are transferred.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
 LICENSE BRANCH NUMBER 10
 BERNE, INDIANA
 STATISTICAL INFORMATION
 January 1, 2004 to December 31, 2004

<u>Transactions Processed</u>	<u>Quantity</u>
Vehicle registrations:	
Passenger	5,314
Motorcycle	324
RV (housecar)	147
Light truck	2,798
Other truck	99
Farm truck	136
Tractor	47
Trailer	1,228
Semitrailer	184
School and church bus	21
Other	22
	<hr/>
Total vehicle registrations	<u>10,320</u>
Drivers licenses and permits:	
Drivers licenses/learners permits	1,930
CDL licenses/CDL permits	150
Placards	205
Other	1,047
	<hr/>
Total drivers licenses and permits	<u>3,332</u>
Titles:	
Vehicles	3,623
Watercraft	47
	<hr/>
Total titles	<u>3,670</u>
Total watercraft registrations	<u>342</u>

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 10
BERNE, INDIANA
EXAMINATION RESULTS AND COMMENTS

YEAR END INVENTORY

The Branch personnel took an inventory at the end of 2004. The inventory was not taken in the proper order, nor were the proper inventory forms used. On January 4, 2005, we tested the accuracy of this inventory. Several items were located at that time which had not been included in the inventory. When comparing the year end inventory to the Open Inventory Report, we noted that several additional items had not been included in the year end inventory. A similar comment was noted in prior Examination Report B24319.

Prior to year end, detailed inventory instructions were developed and distributed to each branch by BMV Audit Services. They included a listing of accountable items along with sample forms and examples. (Letter dated December 1, 2004, from the Audit Services Director)

ACCOUNTABLE ITEMS

The following schedule details missing items revealed during a comparison of actual inventory of accountable items to the Open Inventory Report of the State Bureau of Motor Vehicles at December 31, 2004. No evidence was found to indicate these items have been sold. A similar comment was noted in prior Examination Report B24319.

<u>Year</u>	<u>Plate Type</u>	<u>Plate Numbers</u>
2005	Trailer 3,000	556415A
2005	Trailer 9,000	34543V
2005	Trailer 12,000	2447D
2008	Semitrailer (permanent)	584370 to 584371
2008	Semitrailer (permanent)	584862 to 584865

A listing of the items that are to be accounted for to the State Board of Accounts is included in the Branch Operations Policies and Procedures Manual. (Branch Operations Policies and Procedures Manual, Supplies and Equipment Chapter)

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 10
BERNE, INDIANA
EXIT CONFERENCE

The contents of this report were discussed on December 14, 2005, with Tammy Sanders-Miller, Branch Manager; and on December 20, 2005, with Connie Smuts, former Branch Manager.